

# Strathcona County Fieldhouse Acceleration Scenarios

November 27, 2023

# Opening remarks

# Indoor Fieldhouse

- Budget Year and Cost
  - 2028 design / 2029 construction
  - \$65M
    - Design, site servicing and facility construction
- Description
  - Construction of a full-sized indoor turf facility and supporting amenities
    - Supporting amenities include changerooms, washrooms, storage, spectator areas and administration space



# Indoor Fieldhouse

- Justification

- Indoor turf fields are a top priority as identified as part of the Recreation and Culture strategy
- Significant unmet and increasing demand for indoor turf spaces from a variety of users

- Deferral Impact

- Inability to meet increasing demand for indoor turf activities or to use existing spaces at Millenium Place to satisfy increasing demand for court spaces
- Delay in opportunities related to economic and local business benefits, potential impacts to project budget due to inflation



# Presented as part of Budget

- Budget Year
  - 2028 approval / 2029 construction
- Funding plan
  - 100% debenture funded
- Pros
  - Aligns with sustainability guidelines
  - No immediate impact to tax revenue requirement
- Cons
  - Facility would not open until ~2031

# Presented as part of Budget

	2024	2025	2026	2027	2028	2029	2030	2031	2032
Recommended Tax Revenue Requirement	4.69%	5.25%	5.29%	5.95%	3-6%	3-6%	3-6%	3-6%	3-6%
Debt Servicing Impact	0%	0%	0%	0%	0%	0%	1.00%	1.00%	0.50%
Recreation Levy	0%	0%	0%	0%	0%	0%	0%	0%	0%
New Tax Revenue Requirement*	4.69%	5.25%	5.29%	5.95%	3-6%	3-6%	4-7%	4-7%	3-6.5%

- Does not include operating and maintenance
- Debt limit
  - Peak usage of \$275M
  - \$240M remaining capacity
- Debt Servicing
  - Peak ratio of 7.6%

\*Does not include CDIs

# Scenario 1 – debenture funded

- Budget Year
  - 2025 approval / 2026 construction
- Funding plan
  - 100% debenture funded
- Pros
  - Facility would open ~2028
  - No immediate impact to tax revenue requirement
- Cons
  - Reduces our favourable financial position
    - Impacts future borrowing rates
    - Increase proportion of budget allocated to debt payments
    - Upper range of comparators
  - Materially reduces fiscal flexibility to adapt to changing environment
  - Debt payment impacts felt by next Council

# Scenario 1 – debenture funded

	2024	2025	2026	2027	2028	2029	2030	2031	2032
Recommended Tax Revenue Requirement	4.69%	5.25%	5.29%	5.95%	3-6%	3-6%	3-6%	3-6%	3-6%
Debt Servicing Impact	0%	0%	0%	1.00%	1.00%	0.50%	0%	0%	0%
Recreation Levy	0%	0%	0%	0%	0%	0%	0%	0%	0%
New Tax Revenue Requirement*	4.69%	5.25%	5.29%	6.95%	4-7%	3-6.50%	3-6%	3-6%	3-6%

- Does not include operating and maintenance
- Debt limit
  - Peak usage of \$305M
  - \$195M remaining capacity
- Debt Servicing
  - Peak ratio of 7.6%

\*Does not include CDIs



# Scenario 2 – reserve funded

- Budget Year
  - 2025 approval / 2026 construction
- Funding plan
  - 100% reserve funded
- Pros
  - Facility would open ~2028
  - Aligns with sustainability guidelines
  - Protects long-term fiscal flexibility to adapt to changing environment
  - Opportunity to create Recreation Levy
- Cons
  - Significantly impacts tax revenue increases
    - **3%/year** for 3 years
    - Maintain in tax base for year 4
  - Does not align with best practice of inter-generational equity

# Scenario 2 – reserve funded

	2024	2025	2026	2027	2028	2029	2030	2031	2032
Recommended Tax Revenue Requirement	4.69%	5.25%	5.29%	5.95%	3-6%	3-6%	3-6%	3-6%	3-6%
Debt Servicing Impact	0%	0%	0%	0%	0%	0%	0%	0%	0%
Recreation Levy	3.00%	3.00%	3.00%	0%	0%	0%	0%	0%	0%
New Tax Revenue Requirement*	7.69%	8.25%	8.29%	5.95%	3-6%	3-6%	3-6%	3-6%	3-6%

- Does not include operating and maintenance
- Debt limit
  - Peak usage of \$239M
  - \$260M remaining capacity
- Debt Servicing
  - Peak ratio of 6.4%

\*Does not include CDIs

# Scenario 3 – reserve/debt funded

- Budget Year
  - 2025 approval / 2026 construction
- Funding plan
  - ~50/50 debt/reserve ratio
- Pros
  - Facility would open ~2028
  - Closer alignment with sustainability guidelines
  - Helps protect fiscal flexibility to adapt to changing environment/needs
  - Opportunity to create Recreation Levy
- Cons
  - Significantly impacts tax revenue increases
    - **2%/year** for 3 years

# Scenario 3 – reserve/debt funded

	2024	2025	2026	2027	2028	2029	2030	2031	2032
Recommended Tax Revenue Requirement	4.69%	5.25%	5.29%	5.95%	3-6%	3-6%	3-6%	3-6%	3-6%
Debt Servicing Impact	0%	0%	0%	0.55%	0.55%	0.28%	0%	0%	0%
Recreation Levy	2.00%	2.00%	2.00%	0%	0%	0%	0%	0%	0%
New Tax Revenue Requirement*	6.69%	7.25%	7.29%	6.50%	3-6.55%	3-6.28%	5.00%	5.00%	5.00%

- Does not include operating and maintenance
- Debt limit
  - Peak usage of \$275M
  - \$225M remaining capacity
- Debt Servicing
  - Peak ratio of 7.0%

\*Does not include CDIs

# Questions